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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY Europe

SUBJECT Comments on Import of Iron Curtain Petroleum to Western Europe and Egypt

PLACE ACQUIRED ---
(BY SOURCE)

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1. [REDACTED] there are approximately 100,000 bbls of Iron Curtain petroleum products being brought into Western Europe daily. While this figure represents only about 5% of the total daily consumption in that area it should not be ignored as inconsequential. The countries under Soviet domination apparently have the potential to increase that figure at any time and in view of the soft petroleum market many US oil company officials are alarmed. The most common opinion as to the reason for the Soviet exports is their desire for consumer goods and currency. Secondarily there is always the political aspect. [REDACTED] if the Communists were to concentrate on any one country or two countries and were to flood the market with cheap oil they could break the market to the extent that the US and British companies would find it impossible to operate. [REDACTED] Western Europe but found that they were not at all concerned about the situation. They believe that the situation is a normal trade build up and it is difficult to convince them otherwise.

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2. There is no question as to the quality of the products being imported. In some cases [REDACTED] retail outlets are blending the Soviet products with the products refined locally in order to improve the quality of the local product. While there have been some indications of the Soviet products being sub-standard this is the exception and in many cases the Soviet products are superior to those being marketed by US and British companies. There is no question of the Soviets producing. Opinions have been expressed that, while these trade agreements are being made, the Soviets will eventually back out and not honor the contracts. Thus far they are fulfilling their contracts and in some cases [REDACTED] the originally agreed totals have been exceeded.

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